



2009 Session

## **Exhibit 2**

**This exhibit is a Booklet entitled:**

***“Montana Teacher Retirement  
System”***

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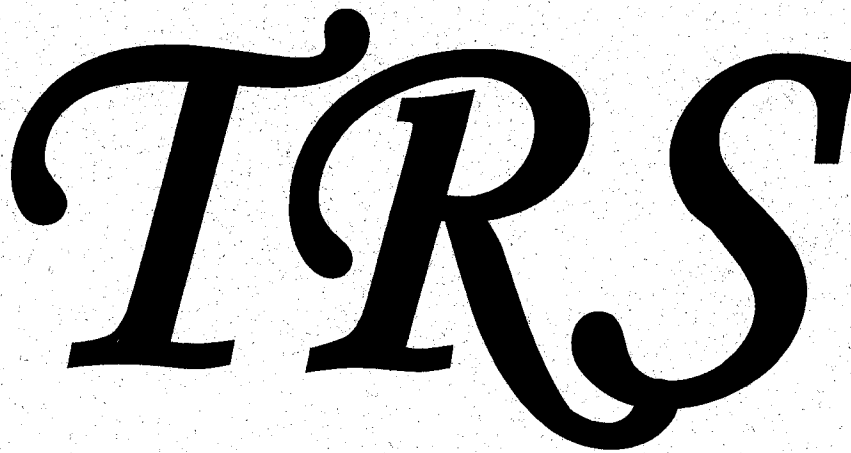
**The original exhibit is on file at  
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Scanning by: Susie Hamilton

# MONTANA

## Teachers' Retirement System A Component Unit of the State of Montana



### COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 2008

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Brian Schweitzer, Governor

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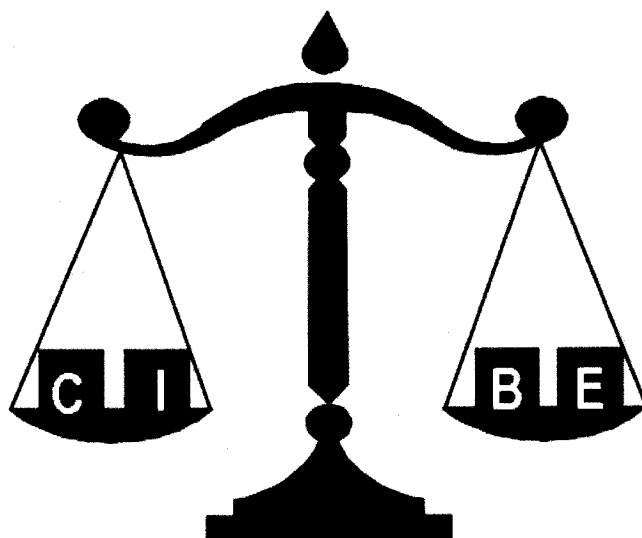
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# **MONTANA TEACHERS' RETIREMENT SYSTEM**

## **State Administration Committee**

**2009 Legislative Session**



**C = Contributions**

**I = Investment Income**

**B = Benefits**

**E = Expenses**

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# MONTANA TEACHERS' RETIREMENT SYSTEM

## Funding Overview

The Montana Constitution, Article VIII, Section 15, requires all public retirement systems to be actuarially funded. The July 1, 2008, Actuarial Valuation for the Teachers' Retirement System (TRS) shows that the current contribution rates will not amortize the unfunded liability over 30 years. The amortization period as of July 1, 2008 was 31.3 years, the funded ratio was 79%, and the system had unfunded liabilities of \$794.6 million. The 2008 Valuation recommended a rate increase of 0.17% effective July 1, 2009, based on the actuarial value of assets, or an increase of 1.57%, based on the market value of assets.

## SOURCE OF FUNDING

- Based on 2007-08 cash flows and expected return of 7.75%:
- Employee Contribution  
7.15%
- Employer Contribution  
7.47%
- State Contribution  
2.11%

